

**CITY OF BISMARCK DEFERRED SICK LEAVE FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2013**

	December-13								September-13					Current FYTD		Prior Year FY13		3 Years Ended 6/30/2013		5 Years Ended 6/30/2013
	Market Value	Allocation		Quarter		Month		Market Value	Allocation		Quarter		Gross	Net	Gross	Net	Gross	Net	Gross	Net
		Actual	Policy	Gross	Net	Gross	Net		Actual	Policy	Gross	Net								
TOTAL DEFERRED SICK LEAVE FUND	807,624	100.0%	100.0%	3.50%	3.45%	0.54%	0.53%	1,048,048	100.0%	100.0%	3.19%	3.14%	6.80%	6.70%	10.05%	9.83%	9.97%	9.72%	6.90%	
<i>POLICY TARGET BENCHMARK</i>				<i>2.40%</i>	<i>2.40%</i>	<i>0.29%</i>	<i>0.29%</i>				<i>2.93%</i>	<i>2.93%</i>	<i>5.40%</i>	<i>5.40%</i>	<i>5.49%</i>	<i>5.49%</i>	<i>6.99%</i>	<i>6.99%</i>	<i>5.34%</i>	
ATTRIBUTION ANALYSIS																				
Asset Allocation				0.05%	0.05%	0.01%	0.01%				-0.03%	-0.03%	0.03%	0.03%	0.04%	0.04%	0.02%	0.02%		
Manager Selection				1.04%	0.99%	0.25%	0.23%				0.29%	0.24%	1.37%	1.27%	4.52%	4.29%	2.96%	2.72%		
TOTAL RELATIVE RETURN				1.10%	1.05%	0.26%	0.24%				0.26%	0.21%	1.40%	1.30%	4.56%	4.33%	2.98%	2.74%		
LARGE CAP DOMESTIC EQUITY																				
Los Angeles Capital	37,682	4.7%	4.5%	11.50%	11.46%	2.93%	2.92%	47,459	4.5%	4.5%	6.91%	6.86%	19.21%	19.10%	18.87%	18.66%	19.01%	18.80%	7.51%	
<i>Russell 1000 Growth</i>				<i>10.44%</i>	<i>10.44%</i>	<i>2.86%</i>	<i>2.86%</i>				<i>8.11%</i>	<i>8.11%</i>	<i>19.39%</i>	<i>19.39%</i>	<i>17.07%</i>	<i>17.07%</i>	<i>18.68%</i>	<i>18.68%</i>	<i>7.47%</i>	
LSV	36,784	4.6%	4.5%	12.57%	12.51%	2.81%	2.79%	46,862	4.5%	4.5%	5.64%	5.58%	18.91%	18.78%	32.50%	32.20%	20.05%	19.73%	7.86%	
<i>Russell 1000 Value</i>				<i>10.01%</i>	<i>10.01%</i>	<i>2.53%</i>	<i>2.53%</i>				<i>3.94%</i>	<i>3.94%</i>	<i>14.34%</i>	<i>14.34%</i>	<i>25.32%</i>	<i>25.32%</i>	<i>18.51%</i>	<i>18.51%</i>	<i>6.67%</i>	
LA Capital	24,519	3.0%	3.0%	11.30%	11.26%	2.67%	2.66%	31,334	3.0%	3.0%	5.61%	5.57%	17.55%	17.46%	21.58%	21.39%	19.18%	18.90%	7.81%	
<i>Russell 1000</i>				<i>10.23%</i>	<i>10.23%</i>	<i>2.70%</i>	<i>2.70%</i>				<i>6.02%</i>	<i>6.02%</i>	<i>16.86%</i>	<i>16.86%</i>	<i>21.24%</i>	<i>21.24%</i>	<i>18.63%</i>	<i>18.63%</i>	<i>7.12%</i>	
Clifton Group (moved from fixed 11/1/08)	24,203	3.0%	3.0%	10.10%	10.08%	2.31%	2.31%	30,932	3.0%	3.0%	5.05%	5.03%	15.66%	15.62%	20.94%	20.84%	19.20%	19.00%	N/A	
<i>S&P 500</i>				<i>10.51%</i>	<i>10.51%</i>	<i>2.53%</i>	<i>2.53%</i>				<i>5.24%</i>	<i>5.24%</i>	<i>16.31%</i>	<i>16.31%</i>	<i>20.60%</i>	<i>20.60%</i>	<i>18.45%</i>	<i>18.45%</i>		
TOTAL LARGE CAP DOMESTIC EQUITY	123,188	15.3%	15.0%	11.51%	11.46%	2.72%	2.71%	156,588	14.9%	15.0%	5.91%	5.87%	18.10%	18.00%	23.83%	23.63%	19.34%	19.08%	4.96%	
<i>S&P 500</i>				<i>10.23%</i>	<i>10.23%</i>	<i>2.70%</i>	<i>2.70%</i>				<i>6.02%</i>	<i>6.02%</i>	<i>16.86%</i>	<i>16.86%</i>	<i>21.24%</i>	<i>21.24%</i>	<i>18.66%</i>	<i>18.66%</i>	<i>7.12%</i>	
SMALL CAP DOMESTIC EQUITY																				
Research Affiliates	21,924	2.7%	2.5%	10.81%	10.72%	2.12%	2.09%	26,878	2.6%	2.5%	10.11%	10.02%	22.02%	21.81%	30.62%	30.17%	20.28%	19.80%	10.56%	
Clifton	21,622	2.7%	2.5%	8.52%	8.43%	1.97%	1.94%	26,737	2.6%	2.5%	10.15%	10.05%	19.53%	19.33%	25.51%	25.08%	20.17%	19.70%	N/A	
TOTAL SMALL CAP DOMESTIC EQUITY	43,547	5.4%	5.0%	9.69%	9.60%	2.05%	2.02%	53,616	5.1%	5.0%	10.23%	10.14%	20.92%	20.72%	28.04%	27.60%	20.25%	19.77%	9.84%	
<i>Russell 2000</i>						<i>1.97%</i>	<i>1.97%</i>						<i>19.82%</i>	<i>19.82%</i>	<i>24.21%</i>	<i>24.21%</i>	<i>18.67%</i>	<i>18.67%</i>	<i>8.77%</i>	
INTERNATIONAL EQUITY																				
Capital Group	32,105	4.0%	4.0%	5.40%	5.28%	1.52%	1.48%	44,088	4.2%	4.0%	11.57%	11.44%	17.59%	17.33%	20.78%	20.25%	9.88%	9.29%	-0.15%	
LSV	33,401	4.1%	4.0%	6.68%	6.57%	1.21%	1.18%	44,708	4.3%	4.0%	13.05%	12.94%	20.60%	20.37%	20.71%	20.23%	8.65%	8.16%	-0.02%	
<i>MSCI EAFE - 50% Hedged</i>				<i>5.71%</i>	<i>5.71%</i>	<i>1.50%</i>	<i>1.50%</i>				<i>11.56%</i>	<i>11.56%</i>	<i>17.94%</i>	<i>17.94%</i>	<i>18.62%</i>	<i>18.62%</i>	<i>8.10%</i>	<i>8.10%</i>	<i>-0.01%</i>	
DFA	8,431	1.0%	1.0%	7.94%	7.80%	4.18%	3.34%	11,150	1.1%	1.0%	16.61%	16.46%	25.87%	25.54%	24.89%	24.23%	12.35%	11.62%	2.25%	
Vanguard	8,262	1.0%	1.0%	7.80%	7.71%	2.76%	2.73%	10,876	1.0%	1.0%	12.57%	12.48%	21.36%	21.15%	21.16%	20.74%	10.65%	10.23%	2.09%	
<i>S&P/Citigroup Broad Market Index < \$2BN</i>				<i>3.42%</i>	<i>3.42%</i>	<i>1.69%</i>	<i>1.69%</i>				<i>14.42%</i>	<i>14.42%</i>	<i>18.34%</i>	<i>18.34%</i>	<i>18.05%</i>	<i>18.05%</i>	<i>9.78%</i>	<i>9.78%</i>	<i>1.26%</i>	
TOTAL INTERNATIONAL EQUITY	82,199	10.2%	10.0%	6.41%	6.30%	1.71%	1.67%	110,823	10.6%	10.0%	12.74%	12.62%	19.97%	19.72%	21.07%	20.56%	9.74%	9.20%	0.44%	
<i>MSCI EAFE - 50% Hedged</i>				<i>5.71%</i>	<i>5.71%</i>	<i>1.50%</i>	<i>1.50%</i>				<i>11.56%</i>	<i>11.56%</i>	<i>17.94%</i>	<i>17.94%</i>	<i>18.62%</i>	<i>18.62%</i>	<i>8.10%</i>	<i>8.10%</i>	<i>-0.01%</i>	

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	Market Value	Allocation		Quarter		Month		Market Value	Allocation		Quarter		Gross	Net	Gross	Net	Gross	Net	Gross	Net
		Actual	Policy	Gross	Net	Gross	Net		Actual	Policy	Gross	Net								
FIXED INCOME																				
Western Asset	166,222	20.6%	20.7%	0.29%	0.25%	-0.47%	-0.48%	174,553	16.7%	23.7%	0.51%	0.47%	0.81%	0.71%	2.17%	1.99%	6.29%	6.10%	6.95%	
Prudential	43,545	5.4%	5.2%	0.57%	0.49%	-0.54%	-0.56%	54,827	5.2%	5.2%	1.09%	1.01%	1.66%	1.51%	2.03%	1.74%	6.55%	6.25%	7.83%	
PIMCO (DiSCO) (2)	31,686	3.9%	3.9%	3.84%	3.84%	0.95%	0.95%	74,889	7.1%	7.1%	2.01%	2.01%	5.93%	5.93%	33.07%	33.07%	N/A	N/A	N/A	
PIMCO (BRAVO II) (2)	2,213	0.3%	0.3%	N/A	N/A	0.00%	0.00%													
BC Aggregate				-0.14%	-0.14%	-0.57%	-0.57%				0.57%	0.57%	0.43%	0.43%	-0.69%	-0.69%	3.51%	3.51%	5.19%	
Declaration (Mortgage)	12,028	1.5%	3.7%	0.45%	0.37%	-0.35%	-0.37%	45,420	4.3%	5.2%	0.72%	0.64%	1.17%	1.02%	2.49%	2.00%	6.76%	6.27%	N/A	
BC Global Aggregate (US Securitized Portion)				0.25%	0.25%	-0.18%	-0.18%				1.53%	1.53%	1.79%	1.79%	1.34%	1.34%	4.73%	4.73%		
Declaration (Total Return)	12,389	1.5%	1.5%	N/A	N/A	-0.02%	-0.02%	0	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
3m LIBOR																				
State Street	76,522	9.5%	9.1%	-0.05%	-0.06%	-0.62%	-0.62%	97,681	9.3%	9.1%	0.36%	0.35%	0.30%	0.29%	N/A	N/A	N/A	N/A	N/A	
BC Gov/Credit				-0.03%	-0.03%	-0.62%	-0.62%				0.36%	0.36%	0.33%	0.33%	-0.62%	-0.62%				
Wells Capital (formerly Strong)	166,801	20.7%	20.7%	1.49%	1.44%	0.03%	0.01%	227,792	21.7%	23.7%	0.95%	0.89%	2.45%	2.35%	3.19%	2.97%	7.43%	7.21%	9.34%	
BC US Credit BAA				1.35%	1.35%	-0.01%	-0.01%				0.77%	0.77%	2.13%	2.13%	1.77%	1.77%	6.00%	6.00%	8.19%	
TOTAL FIXED INCOME	511,406	63.3%	65.0%	0.93%	0.88%	-0.23%	-0.25%	675,161	64.4%	65.0%	0.86%	0.82%	1.80%	1.71%	4.90%	4.71%	7.50%	7.31%	7.89%	
BC Aggregate (1)				-0.14%	-0.14%	-0.57%	-0.57%				0.57%	0.57%	0.43%	0.43%	-0.69%	-0.69%	3.51%	3.51%	5.19%	
CASH EQUIVALENTS																				
Northern Trust	47,285			0.00%	0.00%	0.00%	0.00%	51,860					N/A	N/A	N/A	N/A	N/A	N/A	N/A	
TOTAL CASH EQUIVALENTS	47,285	5.9%	5.0%	0.00%	0.00%	0.00%	0.00%	51,860	4.9%	5.0%	0.00%	0.00%	0.01%	0.01%	0.27%	0.27%	0.27%	0.27%	0.45%	
90 Day T-Bill				0.02%	0.02%	0.01%	0.01%				0.02%	0.02%	0.03%	0.03%	0.11%	0.11%	0.11%	0.11%	0.30%	

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.

(2) All limited partnership-type investments' returns will only be reported net of fees, which is standard practice by the investment consultant.